

News from the FPPC



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FPPC Report Documents How Special Interests Avoid Contribution Limits

The California Fair Political Practices Commission today released a comprehensive report on independent expenditures, disclosing that the "Top 25" *independent expenditure* committees pumped **\$61.7 million** *above and beyond* the voter-approved Proposition 34 contribution limits into California elections for state and legislative candidates from 2001 to 2006.

The report, "*Independent Expenditures: The Giant Gorilla in Campaign Finance*," states: "The emergence of *independent expenditures* has thwarted the will of the people, dramatically undermined California's campaign finance laws and doubtlessly influenced the outcome of numerous statewide and legislative elections."

The report deals solely with candidates for state office. It does not examine *independent expenditures* for ballot measure committees or local candidates.

"There are no limits imposed on *independent expenditure* committees," emphasized Ross Johnson, Chairman of the FPPC. "But what would be the impact if *independent expenditure* groups had to adhere to the same Proposition 34 contribution limits as candidate-controlled campaign committees? This report analyzes *independent expenditures* by the Top 25 committees and how much each was able to exceed the Proposition 34 contribution limits, approved by the voters in November 2000."

Examples include:

- ✓ Californians for a Better Government spent \$9,855,582 in the 2006 gubernatorial primary election on one candidate. If the committee had to adhere to the same contribution levels as candidate committees, only one contribution of \$22,300 would have been permitted. The \$9,855,582 in *independent expenditures* represents **442** times the Proposition 34 contribution limit for a gubernatorial candidate in 2006.

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- ✓ JOBS PAC spent \$3,900,501 on *independent expenditures* for 20 legislative races between 2001 and 2006. If limits applied to the committee, it would have been able to spend only \$63,600. The \$3,900,501 in *independent expenditures* represents **61** times the Proposition 34 contribution limits for legislative candidates in three different election cycles from 2001 through 2006.
- ✓ Opportunity PAC spent \$2,567,764 on *independent expenditures* for 12 legislative races in the three different election cycles from 2001 to 2006. If limits applied to the committee, it would have been able to spend only \$38,000. The \$2,567,764 in *independent expenditures* represents **68 times** the Proposition 34 contribution limits for legislative candidates from 2001 through 2006.

Additional highlights of the report include:

- ✓ An examination of the 12 legislative and statewide contests from 2004 through 2006 in which *independent expenditures* accounted for more than 50% of the total spent in the campaigns.
- ✓ An analysis of how *independent expenditure* committees often make it more difficult to track the true source of spending on behalf of candidates. The report examines five different *independent expenditure* committees which made contributions to other *independent expenditure* committees, thus obscuring the identities of the original donors.
- ✓ A total of \$88 million was spent on all *independent expenditures* benefiting candidates for state office since Proposition 34 took effect on January 1, 2001, through the 2006 election cycle. Of that \$88 million, the Top 25 *independent expenditure* groups spent \$63,209,719. If these Top 25 committees had to adhere to the same Proposition 34 contribution limits as candidate-controlled committees, they would have been able to spend only \$1,503,800 – a *reduction of \$61,705,919 in special interest money* in California campaigns.
- ✓ Independent expenditure spending has exploded since the enactment of Proposition 34. There was a 6,144% increase in *independent expenditure* spending in legislative races between 2000 and 2006. There was a 5,502% increase in *independent expenditure* spending for statewide candidates between 2002 and 2006.

“This is the first comprehensive analysis of the modern phenomenon of *independent expenditures* and their influence in campaigns,” Johnson continued. “I doubt California voters expected such an orgy of special interest spending when they clamped the lid on campaign contributions eight years ago.”

The report is available on the commission’s website at: www.fppc.ca.gov. For the first time, information is also posted on the FPPC website providing an overview of current *independent expenditure* spending in the contested legislative races in open seats on the June 3, 2008, statewide primary ballot.